



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

PATRICK W. FINNERTY
DIRECTOR

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July 14, 2004

Dear Medicaid Provider:

As you may be aware, the Department of Medical Assistance Services (DMAS) began offering the X-12N 835 electronic remittance advice with its provider remittance on June 27, 2003. Based upon providers' requests, DMAS has enhanced the existing HIPAA-compliant X-12N 835. The following three enhancements will be effective with the electronic remittance dated July 30, 2004:

1. For Medicare Part B claims, the service line information including the procedure code will be reported, in addition to the claim level information;
2. Remark codes will be reported for all Medicare Crossover Part A and Part B claims when available from the Medicare Intermediary or Carrier; and
3. The remittance advice number found on paper remittances will be returned on all electronic remittances.

Currently more than 3,250 providers receive the electronic remittance advice. DMAS is working to continually improve the electronic remittance to encourage its expanded use. The electronic remittance advice process can provide many benefits: health care providers can post claim decisions and payments to accounts without manual intervention; payments can be automatically reconciled with patient accounts; and resources are freed to address patient care rather than paper and electronic administrative work.

This letter follows an electronic notice that our fiscal agent, First Health Services Corporation, sent to your service center or clearinghouse announcing these enhancements to the HIPAA-compliant electronic remittance. Please contact your service center or clearinghouse if you have specific questions as to the applicability of these enhancements to your electronic remittance.

Sincerely,

Tom Edicola, Director
Division of Program Support